





Agricultural BMP Loan Program

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Presentation Topics

- Timeline
- Program Background
- Code Requirements and Updates
- Guidelines Updates

Timeline to Date

- Jan - change in code introduced to General Assembly
- Jan - Mar - revised draft program guidelines
- Mar 22 - Apr 5 - stakeholder review of guidelines
- Apr 12 - stakeholder meeting to resolve comments
- Apr 15-19 - incorporate stakeholder comments
- May 13 -June 12 - provide draft final guidelines for 30-day public comment period

General Program Background

- Clean Water Revolving Loan Fund (RLF)
 - EPA grants
 - State match
 - Loan repayments
- Funding from EPA means federal requirements
 - Project eligibilities
 - Reimbursement procedures
 - Principal forgiveness amounts

Agricultural Program Background

- Ag BMP Loan program
 - Established in 2000
 - Total of 490 projects
- Suspended in 2016
 - Due to waning interest
- Will restart in 2019
 - Recognized as critical in Virginia's efforts to meet Chesapeake Bay goals
 - Administration supported additional incentives
 - Incentives required Code changes

Code Update Summary

- Updates to the Code of Virginia allow more flexible use of the Fund's resources
 - Change from “an individual” to “any person”
 - Added “grants”
 - Added “renovation, improvement, or equipping” of facilities or structures and “riparian buffers planted in trees”

Guidelines Update Summary

- Interest rate for all loans will be 0%
 - Previously 3%
- No “long-term” loan requirement
 - Projects with 100% cost share are now eligible
- Minimum loan amount is \$10,000
 - Previously \$5,000
- Maximum loan amount is \$500,000
 - Previously no maximum

Guidelines Update Summary

- Loan servicing through VRA
 - Previously through FC
- Potential for principal forgiveness
- Expanded list of eligible practices
 - 14 practices added
 - Total of 36 eligible practices

Principal Forgiveness

- To qualify for principal forgiveness
 - Projects achieving high water quality benefit AND
 - Applicants demonstrating financial need
- Amount of principal forgiveness determined by
 - Availability of funds
 - Amount of funds needed for the project to proceed
 - Amount of other grant funds available for the project
- Internal process currently being developed

Additional Practices

- DCR practices
 - FR-3 Woodland Buffer Filter Area
 - LE-2 Livestock Exclusion with Reduced Setback
 - SE-2 Shoreline Stabilization
 - SL-7 Extension of Watering Systems

Additional Practices

- DCR practices
 - WP-4F Animal Mortality Incinerator Facilities
 - WQ-7 Irrigation Water Recycling Systems
 - WQ-11 Agricultural Sinkhole Protection
 - WQ-12 Roof Runoff Management System

Additional Practices

- DEQ NPS practices
 - EM-1AT Small Scale Manure Composting for Equine Operations – Aerated Systems
 - EM-1T Small Scale Manure Composting for Equine Operations – Static Systems
 - LE-1T Livestock Exclusion with Riparian Buffers
 - LE-2T Livestock Exclusion with Reduced Setback
 - SL-6AT Small Acreage Grazing System
 - WP-2T Stream Protection (fencing)

Path Forward – Guidelines

- June – review and respond to public comments and finalize guidelines
- Interagency Working Group Meetings:
 - DEQ/DCR/NRCS/SWCD/Farm Credit/VRA
 - Cost Share Payment Processes
 - Future BMPs
 - Forms and Admin
 - Loan Approval Process
 - Training for SWCD
- June 27 – present final guidelines to SWCB for approval
- July 1 – DEQ's Ag BMP program resumes!

Questions

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